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Budget Speech

OF

THE HON. E. W. HINMAN

TREASURER OF THE PROVINCE OF ALBERTA

DELIVERED AT THE SECOND SESSION

OF THE

Thirteenth Legislature

OF THE PROVINCE OF ALBERTA

1956

IN THE

Legislative Assembly of Alberta

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY


ALSO STATEMENTS OF
FINANCIAL AND GENERAL INFORMATION

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

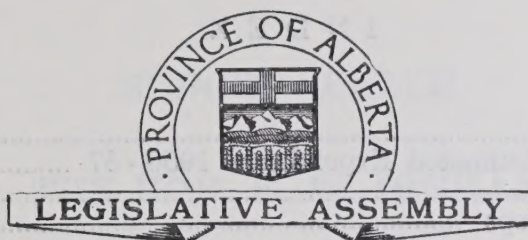
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BUDGET SPEECH

THE HON. E. W. HINMAN

Mr. Speaker:

It is my privilege for the first time to move that you do now leave the Chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to Her Majesty.

In exercising this privilege I assure you, Mr. Speaker, that I am fully aware, not only of the honour conferred upon me in my appointment as Provincial Treasurer of this Province, but also of the responsibilities that attach to the administration of its financial affairs.

The year just past has recorded a continuation of the buoyant economy of our Province beyond the most optimistic hopes of most of us. Our natural resources have contributed lavishly to our economic well being. Industrial expansion has continued at a pace which speaks eloquently of the confidence of enterprising businessmen in the future of our province. Employment has been high; labour management relations have remained exceptionally good; retail trade has continued active; our population has increased more rapidly than ever. Only in our mounting surpluses of agricultural products with greater and greater marketing problems and in the increase in instalment buying has there been any indication of a levelling off of the rising economy we have enjoyed for more than ten years.

The good fortune of Alberta has been reflected in our increased revenues accompanied by need for greater expenditures in every branch of the government.

Our municipalities have been made amply aware that such encouraging progress has attendant problems. The honest efforts of our local governments to discharge their responsibilities in the face of population pressures and the need for expanded facilities have been gratifying. The Government has recognized the progressive inadequacy of ordinary sources of revenue assigned to municipalities and has steadily increased its aid by way of grants for operating expenditures and loans for capital investment purposes.

The Government has earnestly striven to implement fiscal policies which provide the highest possible standards of service to our people without endangering the orderly development of our province and the fair distribution of our prosperity.

The Budget I am presenting to you tonight reflects the confidence of the Government in the ability of our people to maintain our economic progress through another year. It reflects too, some measure of caution in the degree to which we feel it safe to subscribe to

expenditure policies which must, by their nature, call for pyramiding costs year after year, whether or not there may be correspondingly increased revenue.

It is estimated that over-all revenues for the next fiscal year will total \$208,760,610, an increase of \$31,319,095 over last year's total of \$177,441,515.

Expenditures, exclusive of statutory provisions, are estimated at \$192,521,585 which is an increase of \$12,558,513 over last year's total of \$179,963,072.

Statutory provisions for loans will amount to \$49,900,000, making total estimated expenditures of \$242,421,585, and representing an increase of \$19,458,513 over last year's record total of \$222,963,072. You will note also that in order to provide for estimated expenditures, it will be necessary to draw on accumulated surpluses from previous years, an amount of \$33,660,975.

It is interesting to note, Mr. Speaker, that total expenditures estimated at \$242,421,585 represent an expenditure of approximately \$227.41 for each and every citizen of the Province.

As has been done in former years, I have prepared an informative summary showing the allocation of expenditures to each of the major services:

TOTAL ESTIMATED EXPENDITURES 1956 - 57

Service	Less: Reimbursement not included in Revenue			Net Total		Percentage of Net Total
	Income Account	Capital Account	Total	Total	Total	
Public Debt	\$ 5,524,500	\$	\$ 5,524,500	\$ 841,000	\$ 4,683,500	1.93%
Executive Council and Legislation	2,568,615		2,568,615	32,000	2,536,615	1.05
Agriculture and Water Resources	3,146,155	4,264,195	7,410,350	121,260	7,289,090	3.01
Attorney General	4,502,910	1,223,250	5,726,160		5,726,160	2.37
Education and Vocational Training	39,161,130	2,840,400	42,001,530	611,870	41,389,660	17.07
Municipal Affairs	1,573,100		1,573,100	306,650	1,266,450	.52
Provincial Secretary	362,130		362,130		362,130	.15
Public Health	27,042,400	4,104,750	31,147,150	3,092,700	28,054,450	11.57
Public Welfare	14,056,920	3,800	14,060,720	2,658,975	11,401,745	4.70
Public Works and Railways	4,765,595	5,341,060	10,106,655		10,106,655	4.17
Treasury	12,502,150	85,000	12,587,150		12,587,150	5.20
Industries and Labour, Economic Affairs	2,140,450		2,140,450		2,140,450	.88
Lands and Forests	4,197,810	13,000	4,210,810		4,210,810	1.74
Mines and Minerals	1,613,350	164,500	1,777,850		1,777,850	.73
Highways and District Roads	16,394,665	42,594,205	58,988,870		58,988,870	24.33
TOTAL ESTIMATES 1956-57	\$139,551,880	\$60,634,160	\$200,186,040	\$ 7,664,455	\$192,521,585	79.42%
STATUTORY LOANS						
Alberta Government Telephones		\$ 8,000,000	\$ 8,000,000		\$ 8,000,000	3.30%
Municipal Capital Expenditure Loans Fund		25,000,000	25,000,000		25,000,000	10.31
School Construction Loans		12,000,000	12,000,000		12,000,000	4.95
Rural Electrification Revolving Fund		4,000,000	4,000,000		4,000,000	1.65
Homesteaders Loans Revolving Fund		900,000	900,000		900,000	.37
TOTAL LOANS 1956-57		\$49,900,000	\$ 49,900,000		\$ 49,900,000	20.53%
TOTAL BUDGET 1956-57	\$139,551,880	\$110,534,160	\$250,086,040	\$ 7,664,455	\$242,421,585	100.00%

The details of the summary which I have just read will be more fully discussed later in this address.

For the moment, I should like to review briefly, some of the Agricultural and Industrial conditions of past years as they are related to our present economy.

AGRICULTURE

Alberta's agriculture industry experienced trying times in 1955. From a production point of view, the year was an excellent one in most areas of the Province, but grain farmers with large supplies of grain on hand have experienced marketing difficulties to the extent that many have been unable to obtain enough cash to meet current operating expenses. Those with mixed farming enterprises are in a much better position, having been able to market their grain through live stock.

While the total estimated value of Agriculture production for 1955 is \$652,279,000 compared with \$543,007,000 in 1954, the farm cash income figures have decreased sharply. At the same time, operating expenses have remained fairly constant. The result is that net farm income figures in Alberta have decreased from nearly \$360 million in 1952 to \$301 million in 1953 and to \$177 million in 1954.

Crop yields were high in Alberta for 1955. The average yields for cereal crops were as follows: wheat 23.3 bushels per acre, which is 27% above average; oats 39.6 bushels per acre, 22% above average; and barley 27 bushels per acre, 8% above average. Furthermore, the quality of our crops was very good last year and should be more attractive to importing countries.

The Alberta cattle industry enjoyed a good season in 1955. The excellent pasture and feed conditions have resulted in a record-breaking cattle population of nearly 2,100,000 head. The number of cattle marketed during the year was somewhat higher than in the previous year, and with prices steady to higher, and costs remaining constant, the industry prospered.

Hog production increased during the year as a result of farmers utilizing their low-grade 1954 crop for this purpose. However, the grade remained low, with only 18% being top quality. There are indications, however, that the decline in quality has been arrested and it is hoped that new assistance policies initiated by the Department of Agriculture last year, will be effective in improving Alberta swine.

The value of dairy and poultry products increased slightly in 1955 compared with the previous year. General conditions for these industries were good.

The following table compares in detail the quantities and values of agricultural production for the year 1954 and 1955:

VALUE OF AGRICULTURAL PRODUCTION
FIELD CROPS

	1954		1955	
	Production Bushels	Value	Production Bushels	Value
Wheat	105,000,000	\$126,000,000	133,000,000	\$170,240,000
Oats	74,000,000	43,660,000	105,000,000	60,900,000
Barley	70,000,000	60,900,000	100,000,000	83,000,000
Rye	4,000,000	3,520,000	3,450,000	2,829,000
Mixed Grain	3,084,000	2,313,000	5,800,000	4,060,000
Flax Seed	2,150,000	5,268,000	3,000,000	7,860,000
Forage Crop Seed		5,545,000		3,800,000
Potatoes	1,900,000	3,325,000	2,450,000	2,695,000
	Tons		Tons	
Sugar Beets	442,607	5,807,000	424,000	5,512,000
Tame Hay	2,000,000	27,000,000	2,400,000	52,800,000
Miscellaneous Crops		7,217,000		9,022,000
Total Value		\$290,555,000		\$402,718,000
		An Increase of \$112,163,000		

LIVESTOCK

(Includes net marketings, farm slaughter and changes in farm inventory)

	1954		1955	
	Number	Value	Number	Value
Cattle	558,158	\$ 76,719,000	575,000	\$ 79,800,000
Calves	190,926	10,149,000	200,400	10,760,000
Sheep and Lambs	137,976	2,626,000	153,500	2,077,000
Hogs	2,046,079	87,823,000	2,327,000	76,209,000
Total Value		\$177,317,000		\$168,846,000
		A Decrease of \$8,471,000		

LIVESTOCK PRODUCTS

	1954 Value	1955 Value
Dairy Products	\$38,629,000	\$40,086,000
Poultry Products	29,903,000	33,532,000
Honey and Wax	411,000	744,000
Wool	665,000	501,000
Fur Farming	2,481,000	2,721,000
Other Livestock Products	3,046,000	3,131,000
Total Value	\$75,135,000	\$80,715,000
	An Increase of \$5,470,000	

SUMMARY

	1954	1955
Field Crops	\$290,555,000	\$402,718,000
Livestock	177,317,000	168,846,000
Live Stock Products	75,135,000	80,715,000
Total Value Agricultural Production	\$543,007,000	\$652,279,000
	An Increase of \$109,272,000	

In other fields of agriculture, progress has been gratifying. Provincial tree nurseries at Brooks and Oliver produced and distributed nearly one million trees in 1955, an increase of 25% over the previous year. This is the largest number ever distributed by these stations. These trees were planted in farmstead, field and roadside shelter belts and will add beauty and comfort and sounder economy to hundreds of farmsteads in Alberta.

The "Keep Rats Out of Alberta" line still holds along the eastern border. Farmers generally are concerned lest rats infiltrate through the defences. In general, co-operation has been very good, although there have been a few instances where more than normal encouragement has been necessary to ensure a solid line.

In the water resources field there were two notable developments in the year 1955. The first of these was the shift in irrigation construction forces from the St. Mary and Milk Rivers Development to the Western Block of the Bow River Development. The low line canal of the St. Mary and Milk Rivers Development to Medicine Hat and additional water supply will be required before proceeding with the construction of the high line canal. The Prairie Farm Rehabilitation Office (Federal Government) is now negotiating for canal right-of-way to bring additional water supply from the Waterton and Belly Rivers.

The second notable development has been the continued expansion in the use of water for domestic and industrial purposes. Studies are continuing on the ultimate necessity of controlling our rivers with the primary objective of augmenting low winter flow.

Considerable financial assistance was given to municipal districts in solving vexing flooding problems. These problems have arisen as the result of five consecutive years of above-average precipitation and less than average evaporation.

Ducks Unlimited of Canada has under construction a large wild life conservation project at Hay Lakes in the extreme northwest corner of the Province. It is believed that this will rank as one of the largest projects of this type on the continent.

NATURAL RESOURCES

Now let us turn to our natural resources. The past year was one of record-breaking achievement in the development of oil and natural gas resources of this Province.

Crude oil production totalled 113,035,046 barrels, a volume just short of the Province's total production to the end of 1949. The gross value to producers was \$274,245,900. This represents a substantial increase over 1954 production of 87,713,855 barrels valued at \$227,877,548.

The increased production is due to several factors. Oil consumption in the older markets is increasing. The British Columbia market is using Canadian oil almost exclusively, and a large market has developed in the State of Washington.

The number of active petroleum and natural gas leases at the end of the year was 23,273 containing 17,557,993 acres. There were 33 natural gas licenses with a total of 798,044 acres, and 222 natural gas leases containing 1,052,899 acres. These figures all show increases over last year's totals.

Footage drilled was 8,444,578 feet, an increase of 50% over the 1954 total. Oil well completions totalled 1,069 in 1955, compared with 673 in 1954. At the end of 1955 the Province had 6,138 wells capable of crude oil production. Natural gas producers totalled 486 compared with 471 at the end of 1954. There were 609 potential gas wells ready to be placed on production when a market is provided, compared with 491 at the end of 1954.

Favorable climatic conditions which prevailed in the last eight months of 1955 were primarily responsible for the increased exploration and development. Weather conditions for the greater part of 1954 were unfavourable, particularly in the western half of the Province, where most of the current exploration and development activity is concentrated.

Development work centres on the Pembina field, where oil producers were completed last year to give the field a total of 795 producing oil wells. Since the drilling spaces in this field each comprise either 80 or 160 acres compared with 40 acres spacing in most of the older fields, Pembina is now the largest field in acreage developed as well as in recoverable reserves.

Exploration was concentrated principally on the western edge of the plains and in the foothills. In most of this area the prevalence of muskeg means that the surface must be solidly frozen before heavy equipment can be moved over it. In the areas where the terrain is rough, dry weather is required for the movement of equipment. As a consequence, work is seasonal, with most operations confined to fall and winter months. Mild weather in the past two winters has prevented the completion of many exploratory drilling programs and has held geophysical operations to a minimum.

In spite of these conditions, several noteworthy discoveries were made. In the Sundre and Westward Ho areas, several discoveries over a wide area have led to the defining of an oil pool of substantial proportions.

Two significant natural gas discoveries have been made in the area between Edson and Grande Prairie. Another well, north of Peers, has obtained a promising oil show. Several discoveries in the Red Deer region have indicated that the area of the Joffre field may be considerably extended, and only last week, new discoveries would indicate the possibility of a new major field north and east of Peace River.

Natural gas production was confined to fields that had previously been producing gas for markets, and to oil fields that unavoidably produce gas in solution with oil. An increasingly large percentage of oil field gas is being gathered. In most fields, this gas is processed and marketed, or returned to the reservoir. In the Westrose field the gas is gathered and returned to the reservoir without processing. As a consequence, the amount of gas stored annually is

increasing. In 1955, 7,091,830,000 cubic feet of gas were stored, compared with slightly over 4 million in 1954.

Alberta consumers used 96,938,664,000 cubic feet of gas in 1955, compared with 88 billion in 1954. Exports from the Province totalled 12,058,901,000 compared with 7.5 billion cubic feet in 1954.

The authorization to market gas from the Peace River area to the Pacific Northwest of the United States will start an expansion of the natural gas industry in the Province. This expansion will be restricted to the Peace River area until arrangements have been completed for the marketing of surplus gas in the central and southern sections of the Province.

In the Pincher Creek field, a start has been made on a project to cycle about 55 million cubic feet of gas per day. The gas will be processed to recover condensate, sulphur and liquid petroleum gases and the dry gas will be returned to the reservoir.

Production of natural gas by-products is showing a steady increase. Natural gasoline and naphtha production increased to 868,416 barrels from 682,378 barrels in 1954. Valuation of the 1955 production was \$2,463,133. Liquid petroleum gas production was 1,288,533 barrels compared with 773,306 barrels in 1954. Valuation of the 1955 production was \$1,680,963. Sulphur production was 29,093 tons in 1955. In 1954 it was 22,320 tons.

Coal production of 4,456,578 tons was a decrease from production of 4,859,136 tons in 1954.

Salt from the Elk Point plant for agricultural, domestic and industrial markets totalled 34,500 tons, compared with 28,250 tons in 1954. At Duvernay, salt brine was produced for the manufacture of caustic soda and chlorine.

DEPARTMENT OF LANDS AND FORESTS

The demand for homesteads levelled off during the past year. The number of homestead leases in force is 6,118. This is 345 less than in 1954. As in the past, inability to comply with homestead requirements and loss of desire to continue homesteading, resulted in 791 cancellations as compared with 536 cancellations for 1954. A total of 307 homestead lessees received patent during the year, compared to 105 for 1954. Regardless of these reductions, there are still 1,500,000 acres under homestead lease.

During the year 1955, approximately seven and one-quarter townships were surveyed in the Fort Vermillion, Keg River and Blueberry Mountain areas, this being a reduction as compared to the year 1954 when eleven townships were surveyed.

There has been a slight increase in the number of grazing and cultivation leases during the past year. Close to 3,300,000 acres are now under grazing leases and 419,000 acres under cultivation leases. Another 514,000 acres of public and school lands are held under 2,784 agreements for sale.

The Homestead Lease Loan Act became operative on July 4, 1955, and during the balance of the year, 1,072 applications for loans were received from homestead lessees and of these applications, 774 were approved. The average for each of the approved applications has been estimated at \$850.00, totalling approximately \$657,900.

During the past year 430,000,000 board feet of lumber, 1,050,000 railway ties and 17,000 cords of pulpwood were cut and removed from Alberta forests. The total value of these products is \$21,300,000 as compared with \$18,236,000 in the previous year.

This past year has been the sixth and final year of work on the preparation of a provincial wide forest inventory. From the broad information thus gained, the ground work for long term plans to manage our forests on a sustained yield basis is commencing. It is estimated that some 150,536 square miles of Provincial Crown Land is still classed as forested. In this area potential agriculture lands are being separated from lands which are to remain permanently forested and the latter are being divided into Management Units each containing an area of approximately 1,000 square miles.

Further provision is being made for increased protection by construction of ranger stations and other buildings in remote areas; additional lookout towers for better detection; increase in fire fighting and road construction equipment; extension of access roads and trails; and increase in personnel.

During 1955 the commercial catch of fish totalled 8,731,000 pounds with a dealers market value of \$1,143,500. The catch was slightly lower than in 1954, with prices remaining constant. Of this amount, approximately 2,747,000 pounds valued at \$604,370 were exported from the Province.

RURAL ELECTRIFICATION

In 1955 some 4,300 farms were connected to central power for a total to date of 34,800. With some 5,300 non-farm customers, the rural electrification system of Alberta now has a total of 41,100 connections.

With the new extensions reaching into the less thickly populated areas of the Province, it is expected that during 1956 between 3,500 and 4,000 connections will be made. To accommodate this extension of electric services, a further four million dollars will be allocated to the Revolving Fund for rural electrification.

During 1955, \$3,003,790 was loaned from the fund for a total of \$12,407,764 to date. Repayments have amounted to \$2,010,401, leaving an outstanding total of \$10,397,363.

CO - OPERATIVE ACTIVITIES

During 1955, thirty new co-operatives were formed, while nineteen were sold, amalgamated or dissolved for a net gain of eleven co-operatives for the year. The present total of active co-operatives, 638, is made up of 347 rural electrification associations, 105 consumer co-operatives, 80 livestock and feeder co-operatives, 46 grain, feed, seed, dairy and poultry co-operatives and 60 co-operatives of a sundry nature.

CREDIT UNIONS

Membership in Credit Unions as at December 31, 1955, was approximately 45,000 as compared to 40,000 at the end of 1954. Total assets were slightly in excess of \$11,000,000, an increase of approximately one and one-half million dollars over 1954.

Total loans of credit union funds to members in both rural and urban communities has now exceeded a total of forty-seven million dollars.

INDUSTRIAL DEVELOPMENT

Construction of new homes, apartment houses, office buildings and industrial plants was maintained at a high level during 1955. However, an early winter forced delay of several projects until the spring of 1956.

New industries established during the year and extensions to existing businesses, amounted to over 52 million dollars. Major developments include North Star Oil Company refinery now under construction at Grande Prairie; a gas plant to be built at Redwater by Imperial Oil; a fertilizer plant now under construction at Medicine Hat, and a Steel Pipe Mill to be built near Edmonton by the Alberta Phoenix Tube and Pipe Company Limited.

Two cement plants, now under construction, are scheduled to be in operation during 1956. Production from these plants will ease the Cement shortage that has existed in Alberta in past years.

There were 1,263 Alberta companies incorporated during the past year, representing Capital of more than \$111,685,000. In addition, 241 outside companies were registered in Alberta and these companies spent \$30,680,000.

IMMIGRATION

The department of Economic Affairs reports that unemployment, particularly in the coal mining industry, has restricted immigration and the activities of the Immigration Branch have been directed to relieving the unemployment of those affected by the drop in coal production.

TRAVEL BUREAU

Actual count of tourists at Alberta Border points and other places of disembarkation reveals that more than 1,700,000 tourists visited the Province during the year, compared with 1,643,000 in 1954.

ALBERTA HAIL INSURANCE BOARD

During the 1955 crop year the Board placed insurance protection for 10,667 farmers covering 2,038,791 acres amounting to \$14,949,903.

The premiums charged for this protection amounted to \$1,292,071 which represents an average of 63¢ per acre, or 8.6% of the risk.

Hail damage during the year was unusually light and resulted in Hail insurance awards totalling \$293,119 being paid on 97,314 acres.

As at December 31, 1955, outstanding Insurance premiums totalled \$390,000 which it is anticipated will be paid by the end of the Board's fiscal year, March 31, 1956. On this basis, the Board plans to distribute part of the year's surplus to an extent of approximately \$115,000.

The reserves and accumulated surplus of the Board now total \$2,450,000 after providing for all claims.

The Board receives loyal co-operation and support from the farmers generally, and is endeavouring to provide protection at the lowest possible cost with out financial assistance or guarantee from the Government.

TREASURY BRANCHES

The Treasury Branch system continues to give service in many Alberta communities. As at December 31, 1955, there were 49 full time branches, 13 sub-branches and 83 agencies in operation, with a staff of 395 employees. Many requests have been received to expand the service with the opening of new branches, but the difficulty of obtaining experienced senior staff remains the problem in Branch expansion.

Deposits at December 31, 1955, totalled \$39,664,712 representing 61,261 depositing customers as compared with 60,836 a year ago.

As at December 31, 1955, loans outstanding totalled \$20,932,735, a decrease of \$24,856 from the same date last year.

Revenues for the fiscal year ended March 31, 1955, increased \$79,765 from \$1,643,689 at March 31, 1954 to \$1,723,453 as at March 31, 1955. Administration costs for the year totalled \$1,611,491 showing a profit on operations of \$111,962 as compared with a profit of \$148,000 in the previous year.

An amount of \$111,000 from the gross profits for the year has been transferred to the Reserve Fund for Bad and Doubtful debts which now shows a balance of \$406,874 as compared with \$302,788 as at March 31, 1954.

PUBLIC ACCOUNTS

Fiscal Year ended March 31, 1955

The Public Accounts for the past fiscal year ended March 31, 1955, have been tabled and set out fully all details of Revenue and Expenditure for the year. The information has also been supplied to the public through the medium of the Press and it is unnecessary for me to refer to detail at this time.

It should be noted, however, that to meet expenditures, it was necessary to draw on surplus revenues of other years, an amount of \$12,664,795.79.

CURRENT FISCAL YEAR

The interim financial statement covering the period from April 1, 1955 to December 31, 1955, has been prepared and has been made available to the Members of this Assembly.

The statement shows that for the nine month period, a total sum of \$182,949,779 was expended, including loans. Total revenues came to \$181,042,833, leaving a deficit of \$1,906,946 which was paid from accumulated reserves.

An over-all deficit of \$5,000,000 is now forecast for the full fiscal year ending March 31, 1956. This compares very favourably with the deficit of \$45,521,557 which was originally estimated in the budget for the current year, and is attributed to the excellent prices received by the Province from the sale of Crown leases and reservations.

Before dealing with the Estimates by Departments, I should like to summarize our revenue, showing the main sources from which they are derived and the anticipated increase over the amounts estimated last year:

Source of Revenue	Estimates 1956-57	Estimates 1955-56	Increase
Tax Rental Agreement	\$ 37,625,000	\$ 35,290,000	\$ 2,335,000
Fuel Oil Tax—Car and Truck Licenses.....	32,476,000	29,087,000	3,389,000
Alberta Liquor Control Board	15,500,000	15,500,000	
Natural Resources	97,022,000	73,719,520	23,302,480
All other sources	20,240,490	18,278,595	1,961,895
	\$202,863,490	\$171,875,115	\$30,988,375

The following table shows the percentage of total revenues collected from each of these main sources for the last five years:

	Actual 1952-53	Actual 1953-54	Actual 1954-55	Estimated 1955-56	Estimated 1956-57
Tax Rental Agreement	22.26	16.20	17.81	20.53	18.55
Fuel Oil Tax—Car and Truck Licenses	14.79	13.10	14.48	16.92	16.01
Alberta Liquor Board	9.17	7.36	7.85	9.02	7.64
Natural Resources	41.24	52.25	45.97	42.89	47.83
Other Sources	12.54	11.09	13.89	10.64	9.97
	100%	100%	100%	100%	100%

As has been the custom in previous years, I have prepared a statement showing the amount of revenue received since 1948 from the sale of Crown Petroleum and Natural Gas reservations, and from royalties on oil production. The statement also shows expenditures on capital construction and debt retirement for the same period. As the Honourable Members will recall, it is the Government's intention to allocate revenues from the sale of Crown Lands and Royalties to capital construction and debt retirement, and an examination of the following table will indicate a consistent adherence to this policy:

**REVENUE RECEIVED FROM OIL DEVELOPMENT, SALE OF CROWN
LEASES AND ROYALTIES**

	Provincial Lands	School Lands
1948 to 1953 (5 years)	\$124,751,000	\$ 8,855,000
1953-54	66,638,000	5,162,000
1954-55	57,474,000	2,754,000
1955-56 Actual to December 31/55	70,965,000	4,620,000
1956-57 Estimates	67,000,000	3,250,000
	<u>\$386,328,000</u>	<u>\$24,641,000</u>

EXPENDITURES ON CAPITAL CONSTRUCTION

1948 to 1953 (5 years)	\$128,042,000
1953-54	44,694,000
1954-55	51,187,000
1955-56 Actual to December 31/55	43,008,000
1956-57 Estimates	58,398,000
	<u>\$325,329,000</u>
Debt Retirement for the same period	42,790,000
	<u>\$368,119,000</u>

In addition to the above capital expenditures, an amount of \$32,000,000 has been loaned since 1948 to our Alberta' Government Telephones to provide for capital construction.

ESTIMATES FISCAL YEAR ENDING MARCH 31, 1957

I should now like to direct the attention of the Honourable Members to the Estimates of Revenue and Expenditure for the fiscal year ending March 31, 1957. Copies of the Estimates have been tabled and also have been made available to each Member of this Assembly:

The Estimates are summarized as follows:

Estimated Revenue—Income Account	\$202,863,490	
Estimated Receipt—Capital Account	5,897,120	
	<u></u>	\$208,760,610
Estimated Expenditure—Income Account	\$131,887,425	
Estimated Expenditure—Capital Account	60,634,160	
	<u></u>	192,521,585
Estimated Surplus—Income and Capital Accounts		\$ 16,239,025
Net Statutory payments		49,900,000
		<u></u>
Amount to be provided from accumulated surpluses		\$ 33,660,975

The following four tables show the estimates of revenue and expenditure, detailed by Departments, and for comparative purposes, the figures for the current fiscal year are also shown:

BUDGET SPEECH OF

ESTIMATED REVENUE—INCOME ACCOUNT

Department	Estimates 1956-57	Estimates 1955-56	Increase Decrease*
Executive Council	\$ 1,230,000	\$ 1,065,000	\$ 165,000
Legislation	13,065	12,865	700
Agriculture	523,300	511,075	12,225
Attorney General	3,347,550	3,499,550	152,000*
Education	297,300	259,300	38,000
Municipal Affairs	109,200	98,000	11,200
Provincial Secretary	24,176,800	21,449,000	2,727,800
Public Health	1,433,850	1,406,625	27,225
Public Works	263,795	283,450	19,655*
Treasury—Government of Canada Subsidies	2,225,000	2,190,000	35,000
Treasury—Tax Rental Agreement	35,400,000	33,100,000	2,300,000
Treasury	26,192,300	24,361,350	1,830,950
Industries and Labour	315,000	292,900	22,100
Economic Affairs	5,000	34,000	29,000*
Lands and Forests	6,003,000	5,650,000	353,000
Mines and Minerals	91,019,000	68,069,500	22,949,500
Highways	10,309,330	9,593,000	716,330
TOTAL Estimated Revenue	\$202,863,490	\$171,875,115	\$30,988,375

An increase of \$30,988,375.

ESTIMATED RECEIPTS—CAPITAL ACCOUNT

Department	Estimates 1956-57	Estimates 1955-56	Increase Decrease*
Agriculture	\$ 139,520	\$ 175,600	\$ 36,080*
Municipal Affairs	34,500	12,000	22,500
Public Works	56,800	5,500	51,300
Treasury	2,164,800	2,146,800	18,000
Lands and Forests	241,000	215,000	26,000
Highways	3,260,500	3,011,500	249,000
TOTAL Estimated Capital Receipts	\$5,897,120	\$5,566,400	\$330,720

An increase of \$330,720.

ESTIMATED EXPENDITURE — INCOME ACCOUNT

Department	Estimates 1956-57	Estimates 1955-56	Increase Decrease*	Percentage of total Expenditure
Public Debt	\$ 4,683,500	\$ 4,695,000	\$ 11,500*	3.55 %
Executive Council	1,888,110	1,571,125	316,985	1.43
Legislation	648,505	630,085	18,420	.49
Agriculture	3,024,895	2,793,935	230,960	2.30
Attorney General	4,502,910	4,140,060	362,850	3.42
Education	38,107,280	34,411,365	3,695,915	28.89
Municipal Affairs	1,266,450	1,130,370	136,080	.96
Provincial Secretary	362,130	327,975	34,155	.27
Public Health	23,949,700	23,111,900	837,800	18.16
Public Works	4,758,425	4,319,237	439,188	3.61
Railways	7,170	7,120	50	—
Treasury	12,502,150	11,412,700	1,089,450	9.48
Industries and Labour	1,347,650	1,189,985	157,665	1.02
Public Welfare	11,397,945	9,679,625	1,718,320	8.65
Canadian Vocational Training	441,980	437,280	4,700	.33
Economic Affairs	792,800	825,675	32,875*	.60
Lands and Forests	4,197,810	3,705,125	492,685	3.19
Mines and Minerals	1,613,350	1,499,470	113,880	1.22
Highways	16,394,665	15,837,435	557,230	12.43
TOTAL Estimated Expenditure	\$131,887,425	\$121,725,467	\$10,161,958	100 %

An increase of \$10,161,958

ESTIMATED CAPITAL EXPENDITURES

Department	Estimates 1956-57	Estimates 1955-56	Increase Decrease*
Agriculture	\$ 4,193,590	\$ 4,108,300	\$ 85,290
Education	50,000	60,000	10,000*
Public Works	13,851,465	13,377,865	473,600
Treasury	40,000	10,000	30,000
Lands and Forests	7,000	7,000
Highways	42,492,105	40,674,440	1,817,665
TOTAL Estimated Capital Expenditures	\$60,634,160	\$58,237,605	\$2,396,555
An increase of \$2,396,555.			

PUBLIC DEBT

Expenditure—Estimate	1956-57	1955-56	Increase Decrease*
Income Account	\$4,683,500	\$4,695,000	\$11,500*

Included in the amount of \$4,683,500 provision is made for the retirement of maturing debentures and Treasury Bills totalling \$3,268,000 of which the sum of \$408,300 is recoverable from the Alberta Government Telephones. In addition, \$1,800,000 is provided for the payment of interest, and \$4,000 for incidental expenses.

The following comparative statement indicates for the information of the Honourable Members, the position of the Public Debt from March 31, 1936 to December 31, 1955:

Year ended:	Net Funded Debt	Net Guaranteed Debenture Debt	Unfunded Debt	Total Debt
March 31, 1936	\$142,941,031	\$5,672,358	\$18,413,755	\$167,027,144
March 31, 1940	142,926,186	5,022,516	8,573,071	156,501,773
March 31, 1945	138,821,431	3,941,644	7,396,744	150,159,819
March 31, 1950	121,165,894	32,000	9,402,793	130,600,687
March 31, 1955	88,684,211	1,000	2,914,585	91,599,796
December 31, 1955	85,505,574	1,000	3,000,000	88,506,574

As indicated in the above statement, the Public Debt has been reduced from a high point of \$167,027,144 in 1936 to the present debt of \$88,506,574. During the present year, maturing debentures and Treasury Bills amounting to \$3,178,637 have been paid.

The latest available census figures supplied by the Dominion Bureau of Statistics, shows the estimated population of the Province to be 1,066,000. Based on this figure, the per capita debt is now \$83.03 compared with \$216.15 in 1936.

Cash and investments totalling \$112,148,622 were held by the Province and consisted of the following as at December 31, 1955:

Cash	\$ 10,580,202
Bonds and Debentures	101,568,420
	<u>\$112,148,622</u>

In addition to our cash and investments, the following loans and advances were outstanding as at December 31, 1955, bringing our total reserves to \$270,489,729 at that date:

Loans to Municipalities:		
Self Liquidating Projects Act	\$ 18,392,875	
Municipal Capital Expenditure Loans Act	85,108,050	
Loans under Rural Electrification Act	10,397,363	
Loans to Alberta Government Telephones	44,442,819	
Total.....		\$158,341,107
Total cash and investments as at December 31, 1955		112,148,622
TOTAL Reserves.....		\$270,489,729

While the investments of the Province continue to show an increase, it must be pointed out that a very substantial portion is comprised of loans, repayment of which is extended over a period of approximately twenty years. This portion, therefore, cannot be considered as part of our liquid assets.

EXECUTIVE COUNCIL

	1956-57	1955-56	Decrease* Increase
Revenue—Estimate			
Income Account	\$1,230,000	\$1,065,000	\$165,000
Expenditure—Estimate			
Income Account	\$1,888,110	\$1,571,125	\$316,985

Revenues totalling \$1,230,000 are anticipated for the coming year, an increase of \$165,000 compared with 1955-56. This amount represents the payments by Civil Servants into the Public Service Pension Fund.

Anticipated expenditures for 1956-57 total \$1,888,110. Of this amount, \$1,150,000 is allotted for the payment of refunds and pensions to retiring Civil Servants, while a further sum of \$543,775 is required for the expanding operations of the Alberta Research Council.

The Executive Council office; the Lieutenant Governor's Office; the Personnel Office; Provincial Office at Ottawa, and other administrative branches, will require \$205,665.

LEGISLATION

	1956-57	1955-56	Decrease* Increase
Revenue—Estimate			
Income Account	\$ 13,065	\$ 12,365	\$ 700
Expenditure—Estimate			
Income Account	\$648,505	\$630,085	\$18,420

Revenues of this department are derived from Audit fees and the sale of Public Accounts and fees for private members' bills.

Of the total vote of \$648,505 allotted for Legislation, an amount of \$227,100 is required to pay Indemnities and Allowances to the Members of this Legislature. This includes special allowances to the Speaker, Deputy Speaker and Leader of the Opposition totalling

\$6,500, in addition to the Indemnity allowance of \$3,600 each to the 61 Members.

A further amount of \$279,230 is required for the administration of the Provincial Auditor's Office: \$79,440 for the Statute Revision Commission and \$62,735 for the Provincial Library and General administration.

AGRICULTURE DEPARTMENT

	1956-57	1955-56	Increase or Decrease*
Revenue—Estimate			
Income Account	\$ 523,300	\$ 511,075	\$ 12,225
Capital Account	139,520	175,600	36,080*
	<u>\$ 662,820</u>	<u>\$ 686,675</u>	<u>\$ 23,855*</u>
Expenditure—Estimate			
Income Account	\$3,024,895	\$2,793,935	\$230,960
Capital Account	4,193,590	4,108,300	85,290
	<u>\$7,218,485</u>	<u>\$6,902,235</u>	<u>\$316,250</u>

An amount of \$523,300 will be received representing fees and licenses in connection with services rendered by the Department. The capital revenue of \$139,520 will accrue from the repayment of loans for seed grain and loans to Irrigation Districts.

The Department's expenditures of \$7,218,485 as compared with \$6,902,235 last year, includes \$2,181,720 to be used for Irrigation development on the Bow River project; \$1,570,070 for the St. Mary's River project, and a further sum of \$364,000 for general irrigation and drainage projects will be required. The Department's policy of assisting the Agricultural industry, will require an allotment of \$3,024,895. This assistance is evident in the operation of the Field Crops Branch, the Schools of Agriculture and the Dairy and Livestock branches. The land preparation policy is expanding rapidly as irrigation projects are being completed, and it is anticipated that this relatively new service will cost \$257,260 next year.

Construction of necessary buildings for the use of the Department of Agriculture will require an expenditure of \$66,925, while \$3,680 is allotted for furniture and equipment. These amounts are included in the Department of Public Works vote.

ATTORNEY GENERAL'S DEPARTMENT

	1956-57	1955-56	Increase Decrease*
Revenue—Estimate			
Income Account	\$3,347,550	\$3,499,550	\$152,000*
Expenditure—Estimate			
Income Account	\$4,502,910	\$4,140,060	\$362,850

Revenues totalling \$3,347,550 are expected to accrue from the following sources:

	Estimates 1956-57	Estimates 1955-56	Increase Decrease*
Land Titles Office—Fees	\$1,600,000	\$1,940,000	\$340,000*
Statute Fines	800,000	700,000	100,000
Clerks of Court Act—Fees	350,000	300,000	50,000
Public Trustee Act—Fees	177,500	172,500	5,000
Other Fees and service	420,050	387,050	33,000
	\$3,347,550	\$3,499,550	\$152,000*

I have no doubt that it will be most gratifying to the Members of this Legislature and to the public generally, to learn that the Government has further reduced taxation by the repeal of the Unearned Increment Tax Act, with a resulting benefit to the people of approximately \$1,300,000 annually. I would point out, however that there has been a revision of the registration fees charged under the Land Titles Act, which will to some extent, offset this loss of revenue.

Total expenditures of \$4,502,910 are anticipated next year as compared with \$4,140,060 in 1955-56, an increase of \$362,850. The administration of provincial gaols has been allotted \$1,345,025 while the Land Titles Offices in Edmonton and Calgary will require \$529,830.

The agreement with the Government of Canada for Royal Canadian Mounted Police services, has been revised to provide improved police service and will cost the Province \$875,760 for the coming year.

In the Department of Public Works estimates, there is an amount of \$1,029,250 for construction, and \$194,000 for furnishings, of provincial gaols, Court Houses and Land Titles Offices. Construction of new Court Houses at Grande Prairie and Peace River, at a cost of \$270,000 each is included in this amount.

Construction of a new gaol in the southern part of the Province has been deferred for the present. The Estimates include an amount of \$15,000 sufficient to proceed with plans and designs.

DEPARTMENT OF EDUCATION

	1956-57	1955-56	Increase Decrease*
Revenue—Estimate			
Income Account	\$ 297,300	\$ 259,300	\$ 38,000
Expenditure—Estimate			
Income Account	\$38,107,280	\$34,411,365	\$3,695,915
Capital Account	50,000	60,000	10,000*
	\$38,157,280	\$34,471,365	\$3,685,915
Vocational Training	\$ 441,980	\$ 437,280	\$ 4,700

Revenues of \$297,300 are received as fees for various educational services provided throughout the Province.

The Honourable Members will note the substantial increase in expenditures proposed this year. An amount of \$38,157,280 is allocated for the 1956-57 fiscal year as compared with \$34,471,365 last year. This is an increase of \$3,685,915 and is mainly accounted for by larger grants to school boards for operation and construction which will amount to \$33,340,100 next year.

You will recall in last year's budget address, that it is the Government's aim to pay not only an equitable portion of the normal operational costs of our schools, but also, to make available additional Tax Reduction subsidies to bring the school requisition rate throughout the Province to a basic 25 mills. This policy will be continued. It is estimated that the Tax Reduction Subsidies for this purpose will amount to \$7,180,000 as compared with \$6,700,000 provided last year, and an amount of \$20,160,000 is allocated for normal operational grants as compared with \$18,160,000 in 1955-56.

It is interesting to note that only ten years ago the amount provided for government assistance for school operation grants was \$19.86 per pupil, while the amount now provided is \$119.50 per pupil. This is very close to 50% of the total cost of school operation.

Grants for assistance in the construction of schools will require an estimated \$6,000,000 which is an increase of \$1,500,000 over the amount provided last year.

The Government's contribution towards the operation of the University of Alberta will require a grant of \$2,167,000 as compared with \$1,860,000 provided in the 1955-56 estimates.

The Vocational Training program carried on in conjunction with the Government of Canada will require a net amount of \$441,980 and will provide training facilities for nursing aides and industrial workers.

A substantial building program for construction and furnishings of buildings for the use of the Department of Education is included in the Department of Public Works Vote and is shown in the following list:

	Construction	Furnishings
University of Alberta	\$ 932,700	\$175,000
Educational buildings, Calgary	1,160,000	26,000
School for Deaf	370,000	100,000
Miscellaneous	15,000	11,700
	<hr/>	<hr/>
	\$2,477,700	\$312,700
	<hr/>	<hr/>

MUNICIPAL AFFAIRS DEPARTMENT

	1956-57	1955-56	Increase Decrease*
Revenue—Estimate			
Income Account	\$ 109,200	\$ 98,000	\$ 1,200
Capital Account	34,500	12,000	22,500
	\$ 143,700	\$ 110,000	\$ 33,700
Expenditure—Estimate			
Income Account	\$1,266,450	\$1,130,370	\$136,080

Revenues of the Department totalling \$143,700 are obtained from Fees and Licenses collected by the Board of Public Utility Commissioners and other services. Repayment of Agricultural Advances is expected to total \$30,000. Expenditure anticipated will amount to \$1,266,450 and is required for the administration of Improvement Districts and for assistance and guidance to other self governing bodies. Of special interest is an appropriation of \$394,640 for the continuation and expansion of the Civil Defence organization. This is an increase of \$66,340 over the amount provided for this purpose last year.

PROVINCIAL SECRETARY'S DEPARTMENT

	1956-57	1955-56	Increase Decrease*
Revenue - Estimate			
Income Account	\$24,176,800	\$21,449,000	\$ 2,727,800
Expenditure - Estimate			
Income Account	\$ 362,130	\$ 327,975	\$ 34,155

Revenues from the Provincial Secretary's Department are expected to yield \$24,176,800 which is \$2,727,800 more than the previous year's estimate. The main item, the Fuel Oil Tax, will produce \$22,200,000 as compared with \$19,500,000 and will show an increase of \$2,700,000 over last year. The Honourable Members will recall that under the provisions of the Municipal Assistance Act, one-half of this revenue is distributed to the municipalities as an unconditional grant. During the fiscal year the Amusements Tax Act will produce \$1,527,700 which is \$13,000 less than last year due to decreased theatre attendance. Fees under the Companies Act are expected to amount to \$196,000 as compared to \$165,000 last year, while license fees under the Insurance Act will increase slightly to \$187,750. Other revenues collected by the Provincial Secretary's Department will total \$65,350, compared to \$63,300 estimated last year.

PUBLIC HEALTH DEPARTMENT

	1956-57	1955-56	Increase
Revenue - Estimate			
Income Account	\$ 1,433,850	\$ 1,406,625	\$ 27,225
Expenditure - Estimate			
Income Account	\$23,949,700	\$23,111,900	\$ 837,800

Revenues of the Health Department are estimated at \$1,433,850 for the coming year and indicate little change from collections expected in the present year. Modest maintenance charges to patients and staff in our institutions make up the bulk of these revenues.

Estimated expenditures totalling \$23,949,700 reflect the Government's continued program of materially assisting our people to meet today's high cost of health services. The following table shows the cost to the Province of providing these health services and indicates the extent of this assistance:

	Estimates 1956 - 57	Estimates 1955 - 56	Increase Decrease*
Care of Tuberculosis Patients	\$ 1,835,400	\$ 1,744,350	\$ 91,050
Cancer Treatment (net)	376,400	288,900	87,500
Maternity Hospitalization	2,923,000	2,554,300	368,700
Mental Institutions	4,949,000	4,609,150	339,850
Per diem grants to hospitals	3,006,000	2,826,000	180,000
Hospitalization grants to local authorities.....	4,200,000	3,926,400	273,600
Hospital and medical care for pensioners	3,150,000	2,810,000	340,000
Grants to insuring agencies for medical services scheme		1,200,000	1,200,000*
Care of Poliomyelitis patients	775,000	952,400	177,400*
Hospital construction grants	900,000	500,000	400,000
Public Health Laboratory	304,400	283,800	20,600
Other Health services	1,530,500	1,416,600	113,900
	\$23,949,700	\$23,111,900	\$ 837,800

You are all aware of, and keenly interested in our present discussions with the Federal Health officials regarding a National Health Scheme. As you know, we have agreed to the broad principles involved, but until the details have been worked out, the costs and benefits cannot be accurately forecast, nor has the effective date of the scheme been definitely established. It has been indicated that the scheme will involve the sharing of the costs of certain health services by the Federal and Provincial governments. Ample provision has been made in this budget to implement any acceptable agreement of this nature.

In addition to the above health services, the program of building accommodation at our hospitals and institutions to keep pace with the demands, is being vigorously pursued by the Department of Public Works. Included in the estimates for that department is the sum of \$3,738,500 for construction and an amount of \$366,250 for furnishings and equipment. At the Deerhome Institute at Red Deer, we expect to complete two wards and the service wing, and also to commence work on a third ward at a cost of \$1,400,000, while \$1,350,000 will be required to complete the Poliomyelitis and Pediatric wing and the Nurses' Residence, at the University Hospital. Further sums are proposed for necessary construction at other provincial institutions, including \$300,000 to begin an addition at the Provincial Laboratory.

PUBLIC WORKS DEPARTMENT

	1956 - 57	1955 - 56	Increase Decrease*
Revenue - Estimate			
Income Account	\$ 263,795	\$ 283,450	\$ 19,655*
Capital Account	56,800	5,500	51,300
	\$ 320,595	\$ 288,950	\$ 31,645
Expenditure - Estimate			
Income Account	\$ 4,758,425	\$ 4,319,237	\$ 439,188
Capital Account	13,851,465	13,377,865	473,600
	\$18,609,890	\$17,697,102	\$ 912,788

Revenues of the Department of Public Works are mainly derived from sales and rentals of public buildings and land.

Estimated expenditures of \$18,609,890 indicate the tremendous problem facing the Government and the department to construct and maintain buildings for the accommodation of all the services demanded by the public today.

The sum of \$4,758,425 will be required for the care and maintenance of public buildings throughout the Province, while it is estimated that construction of new buildings and additions to presently existing buildings will need a further substantial amount of \$13,851,465. In dealing with the estimates of other departments, I have mentioned their building programs which form part of the Public Works estimates. The following statement shows the complete program of essential building construction to be undertaken by the Department of Public Works during 1956-57.

Agriculture Department:

Construction of Farms and Schools \$ 66,925

Attorney General's Department:

Construction of Land Titles and Court House Buildings 640,000
Construction at Provincial Gaols 389,250

Education Department:

Construction of Administration Building, Biological Science Wing, and other
Construction for the University of Alberta 932,700
Commence new Education Building at Calgary 900,000
Construct Vocational Training Shops at Calgary 200,000
Complete School for Deaf at Edmonton 370,000
Other Educational Buildings 75,000

Public Health Department:

Further construction at Deerhome Institution at Red Deer 1,400,000
Complete Poliomyelitis and Pediatric Wing at the University
Hospital and Nurses' Home 1,350,000
Commence addition to Provincial Laboratory 300,000
Construction at Provincial Institutions and Clinics 688,500

Public Works Department:

Complete Auditorium at Edmonton 1,808,000
Complete Auditorium at Calgary 1,750,000
Construct Power Plant Buildings on University Grounds 375,000
Construction at Legislative and Provincial Buildings 455,900

Treasury Department:

General construction at Treasury Branches 30,000

Lands and Forests Department:

Construction of Ranger Stations 6,000

Mines and Minerals Department:

Construction Oil Conservation Board Buildings 164,500

Highways Department:

Construction of Repair Shops 97,100

TOTAL ESTIMATED CONSTRUCTION OF PUBLIC BUILDINGS **\$11,998,875**

Estimated construction at Provincial Power Plants 281,500

Estimated cost of furnishings and equipment for all public buildings 1,571,090

TOTAL PUBLIC WORKS DEPARTMENT — Capital Estimates **\$13,851,465**

TREASURY DEPARTMENT

	1956 - 57	1955 - 56	Increase Decrease*
Revenue - Estimate			
Income Account	\$63,817,300	\$59,651,350	\$ 4,165,950
Capital Account	2,164,800	2,146,800	18,000
	<u>\$65,982,100</u>	<u>\$61,798,150</u>	<u>\$ 4,183,950</u>
Expenditure - Estimate			
Income Account	\$12,502,150	\$11,412,700	\$ 1,089,450
Capital Account	10,000	10,000	
	<u>\$12,512,150</u>	<u>\$11,422,700</u>	<u>\$ 1,089,450</u>
Statutory Loans	<u>\$49,900,000</u>	<u>\$43,000,000</u>	<u>\$ 6,900,000</u>

Estimated revenues of \$65,982,100 will be an increase of \$4,183,950 over the previous year. The main items making up these revenues are as follows:

	1956 - 57	1955 - 56	Increase Decrease*
Government of Canada Subsidies	\$ 2,225,000	\$ 2,190,000	\$ 35,000
Government of Canada Tax Agreement	35,400,000	33,100,000	2,300,000
Alberta Liquor Act	15,500,000	15,500,000	
Earnings on Investments	7,993,800	6,145,000	1,848,800
Treasury Branches Earnings	1,750,000	1,800,000	50,000*
	<u>\$62,868,800</u>	<u>\$58,735,000</u>	<u>\$ 4,133,800</u>

The increase of \$2,300,000 from our Tax Agreement with Canada is attributed to an increase in our population and in the Gross National Product of Canada which form the basis of this Agreement. A further substantial increase will be noted in Earnings on Investments, which is accounted for mainly by increased loans to Municipalities under The Municipal Capital Expenditure Loans Act.

Capital Account revenues of \$2,164,800 represent repayment of the principal of loans by the Alberta Government Telephones and by Municipalities under the Self Liquidating Projects Act and other smaller loans.

Expenditures of \$12,512,150 are estimated for the Treasury Department. In this amount, the Members will be pleased to note an increased appropriation from \$9,015,205 last year to \$10,000,000 representing grants to be paid to Municipalities under the Municipal Assistance Act. This is an increase of \$984,795. Grants made under this Act since its inception in 1951 are shown in the following table:

1951 - 52	\$ 4,665,029
1952 - 53	5,991,151
1953 - 54	7,385,108
1954 - 55	8,534,675
1955 - 56	9,015,205
1956 - 57	10,000,000
TOTAL	<u>\$45,591,168</u>

Treasury Branch requirements will be \$1,668,020 as compared with \$1,621,265 last year.

Included in the Estimates of the Public Works Department, provision is made for \$15,000 for furnishings and equipment of Treasury Branches and a further \$30,000 for capital construction which may be required.

STATUTORY

The Provincial Treasury will be required to provide additional substantial sums totalling \$49,900,000 to continue to provide funds at low cost for capital loans.

You will be asked to consider amending legislation to increase the amount available under the Municipal Capital Expenditure Loans Act from \$100,000,000 to \$125,000,000.

During the fiscal year 1956-57, it is expected that loans to School Boards will total \$12,000,000. This represents the total cost of school construction in excess of grants provided under the School Buildings Assistance Act.

Continued expansion of the Alberta Government Telephones System is expected to require an additional \$8,000,000 during the coming year. The program includes the major project in the installation of a Microwave System across Alberta to provide long distance circuits in addition to the transmission of television programs.

It is the Government's intention to continue to assist Rural Electrification Associations in financing the installation of electric power in Rural areas. It is anticipated that loans totalling \$4,000,000 will be needed for this purpose.

The Board appointed by the Lieutenant Governor in Council last year to administer the Homestead Lease Loan Fund has indicated that loans amounting to \$900,000 will be approved during 1956-57 fiscal year.

INDUSTRIES AND LABOUR DEPARTMENT

	1956 - 57	1955 - 56	Increase Decrease*
Revenue - Estimate			
Income Account	\$ 315,000	\$ 292,900	\$ 22,100
Expenditure - Estimate			
Income Account	\$ 1,347,650	\$ 1,189,985	\$ 157,665

Expected Revenues for the coming year total \$315,000 which is an increase of \$22,100 over last year. The Revenues are derived from Trade Licenses and Fees, and Inspection fees under the Factories Act, Boilers Act, Electrical Protection Act, and a proposed new Gas Protection Act.

Expenditures are expected to increase \$157,665 to a total of \$1,347,650 for the coming year. This increased expenditure is required by our labour relations offices and inspection services to keep pace with our expanding industry. The Honourable Members will be interested in the cost of these services:

Board of Industrial Relations	\$ 232,445
Inspections under the Factories Act	78,090
Inspections under the Welding Act	62,425
Inspections under the Electrical Protection Act	288,620
Inspections under the Boilers Act	235,580
Inspections under the new Gas Protection Act	50,000
TOTAL of these Services	\$ 947,160

PUBLIC WELFARE DEPARTMENT

	1956 - 57	1955 - 56	Increase Decrease*
Expenditure - Estimate			
Income Account	\$11,397,945	\$ 9,679,625	\$ 1,718,320

The Department of Public Welfare has been allocated \$11,397,945 which is an increase of \$1,718,320 over the amount provided in the 1955-56 fiscal year. This substantial increase in the cost of welfare services is accounted for by the increased number of persons eligible for pensions, relief and other allowances and the following table shows the net cost of each service as compared with the cost last year:

Indigent Relief	\$ 1,686,640	\$ 1,354,830	\$ 331,810	4,794
Child Welfare	364,300	239,540	74,760	2,773
Old Age Assistance	1,571,000	1,229,500	341,500	5,546
Blind Allowances	55,675	48,750	6,925	383
Disabled Allowances	947,400	607,500	339,900	2,159
Mothers' Allowances	1,252,500	1,020,000	232,500	1,781
Widows' Pension	383,000	340,000	43,000	800
Supplementary Allowances	4,728,100	4,432,000	296,100	25,008
General Administration	409,330	357,505	51,825	—
	\$11,397,945	\$ 9,679,625	\$ 1,718,320	—

ECONOMIC AFFAIRS DEPARTMENT

	1956 - 57	1955 - 56	Decrease*
Revenue - Estimate			
Income Account	\$ 5,000	\$ 34,000	\$ 29,000*
Expenditure - Estimate			
Income Account	\$ 792,800	\$ 825,675	\$ 32,875*

A reduction of \$29,000 will be noted in the revenues. The 1955-56 Estimates included an amount of \$30,000 in connection with Jubilee year activities not applicable to subsequent years.

Anticipated expenditures for the coming year will total \$792,800 as compared with \$825,675 last year. Increased activities in the Publicity Branch, Cultural Activities and Travel Bureau, will require \$569,260 as compared to \$419,300 for an increase of \$150,000 over that provided for these services last year. An amount of \$200,000 was provided in 1955-56 for the Jubilee Committee which was applicable to that year only.

DEPARTMENT OF LANDS AND FORESTS

	1956 - 57	1955 - 56	Increase Decrease*
Revenue - Estimate			
Income Account	\$ 6,003,000	\$ 5,650,000	\$ 353,000
Capital Account	241,000	215,000	26,000
	\$ 6,244,000	\$ 5,865,000	\$ 379,000
Expenditure - Estimate			
Income Account	\$ 4,197,810	\$ 3,705,125	\$ 492,685
Capital Account	7,000	7,000	
	\$ 4,204,810	\$ 3,712,125	\$ 492,685

Revenues amounting to \$6,244,000 are expected to be received next year by the Department of Lands and Forests and are made up of fees, rentals and services accruing from the surface development of our natural resources. The main item is \$3,600,000 representing Timber fees, rentals and permits, and indicates the extent to which our forests are being utilized.

The substantial increase in the estimated expenditure from \$3,712,125 last year to the allotment of \$4,204,810 for the 1956-57 fiscal year reflects the continued program of forest conservation and development as recommended in the Delehay Report. The benefits from this program are now evident with the increased interest of Industry contemplating investment in pulp and paper mills and allied products in the Province.

MINES AND MINERALS DEPARTMENT

	1956 - 57	1955 - 56	Increase Decrease*
Revenue - Estimate			
Income Account	\$91,019,000	\$68,069,500	\$22,949,500
Expenditure - Estimate			
Income Account	\$ 1,613,350	\$ 1,499,470	\$ 113,880

The estimated revenues have been increased to \$91,019,000 as compared with \$68,069,500 last year, representing an increase of \$22,949,500. It is felt that experience over the past few years has enable the Government to make a more realistic estimate of revenue from our oil development, and justifies this very considerable increase. The following comparative table sets out the anticipated revenues of the department for the fiscal years ending March 31, 1956 and March 31, 1957:

	1956 - 57	1955 - 56	Increase Decrease*
Oil Revenues			
Sale of Crown Leases	\$46,500,000	\$27,000,000	\$19,500,000
Royalties	23,750,000	19,150,000	4,600,000
Fees and Rentals	19,000,000	20,000,000	1,000,000*
Mineral Taxation Act	1,800,000	1,400,000	100,000
Coal Mining — Fees and Royalties	218,000	238,500	20,500*
Other Revenues	251,000	281,000	30,000*
	\$91,019,000	\$68,069,500	\$22,949,500

Expenditures are estimated at \$1,613,350 for the coming year. The Province's contribution towards the administration of the Petroleum and Natural Gas Conservation Board will amount to \$500,000 and a further sum of \$350,000 will be used to remove the dangers inherent in abandoned mining and oil sites. It is anticipated that the administration of the Minerals Branch; the Technical Branch; the Mines Branch and other administration, will require an allotment totalling \$763,380.

Included in the Public Works vote, provision is being made to complete the oil conservation buildings at Calgary and Peace River at a cost of \$110,000 while a further amount of \$54,500 is being allotted for the construction of five houses at Peace River and Pembina for the use of Oil Conservation Board employees.

DEPARTMENT OF HIGHWAYS

	1956 - 57	1955 - 56	Increase Decrease*
Revenue - Estimate			
Income Account	\$10,309,330	\$ 9,593,000	\$ 716,330
Capital Account	3,260,500	3,011,500	249,000
	\$13,569,830	\$12,604,500	\$ 965,330
Expenditure - Estimate			
Income Account	\$16,394,665	\$15,837,435	\$ 557,230
Capital Account	42,492,105	40,674,440	1,817,665
	\$58,886,770	\$56,511,875	\$ 2,374,895

Revenues accruing to the Department of Highways totalling \$13,569,830 are obtained chiefly from Motor Vehicle Licenses and fees amounting to \$10,276,000 and reimbursement from the Government of Canada of \$3,250,000 representing the Dominion Government's share of the Trans-Canada Highway Construction costs.

Expenditures of the Department are expected to total \$58,886,770 which is an increase of \$2,374,895 over the estimate for the current fiscal year. The details are shown in the following comparative table:

INCOME ACCOUNT — MAINTENANCE

	Estimates 1956 - 57	Estimates 1955 - 56	Increase Decrease*
Maintenance — Ferries	\$ 325,000	\$ 275,000	\$ 50,000
Maintenance — Bridges on Main Highways	500,145	482,030	18,115
Construction and Maintenance of Bridges, on District Highways in Municipalities	2,300,000	2,300,000	
Maintenance — Main Highways	3,700,000	3,500,000	200,000
Grants to Municipalities for district Highways	8,225,000	7,925,000	300,000
Special Municipal Projects Construction Grants	45,000	250,000	205,000*
Motor Vehicle Branch	852,215	722,635	129,580
Other Purposes	447,305	382,770	64,535
	\$16,394,665	\$15,837,435	\$ 557,230

It will be noted that further increases totalling \$300,000 will be made in grants for district highways.

Total grants amounting to \$8,225,000 are distributed in the following manner:

	Estimates 1956 - 57	Estimates 1955 - 56	Increase Decrease*
Grants to Improvement Districts	\$ 3,000,000	\$ 3,300,000	\$ 300,000*
Grants to Special Areas	125,000	125,000	
Grants to Municipal Districts	3,600,000	3,000,000	600,000
Special Contingencies	1,500,000	1,500,000	
	\$ 8,225,000	\$ 7,925,000	\$ 300,000

The Motor Vehicle Branch is now located in more adequate quarters in the new Highways building. The various functions have been consolidated and a more efficient service to the public can now be expected.

The Honourable Members will note that a further substantial amount of \$42,429,105 will be allocated for the construction of all-weather roads which are so necessary in view of the rapid growth and development of our Province. This is in keeping with the Government's intention of providing an adequate province-wide network of highways.

	Estimates 1956 - 57	Estimates 1955 - 56	Increase Decrease*
Main Highways	\$30,360,040	\$29,046,900	\$ 1,313,140
Trans - Canada Highway	6,541,100	6,037,665	503,435
Bridges	5,000,000	5,000,000	
Ferries	15,000	12,000	3,000
Sundry Construction	575,965	577,875	1,910*
	\$42,492,105	\$40,674,440	\$ 1,817,665

Included in the Public Works Department Vote, provision is made for the construction and equipping of various maintenance shops for the use of the Department of Highways throughout the Province totalling \$102,100.

MUNICIPAL ASSISTANCE

Statements showing the allocation of Municipal Assistance for the period from 1950-51 to 1956-57 are submitted and show in detail the extent to which this assistance has been provided by the Government for various purposes.

For Education, direct financial assistance is estimated to total \$33,340,000 for next year. This makes a total of \$131,847,458 for the seven year period.

For Health purposes, an amount of \$8,381,000 is provided for the 1956-57 fiscal year and brings the seven year total to \$32,397,646.

Grants for district roads and bridges for the coming year will amount to \$10,570,000 a total of \$53,821,965 for the seven year period.

Assistance included in the Estimates of the Attorney General's Department, Public Welfare and Lands and Forests amount to \$2,061,650 bringing the total for the period to \$10,926,702.

Included in the Treasury Department is provision for payments of \$10,000,000 under the Municipal Assistance Act and \$121,500 for grants in lieu of taxes. The total of these grants for the seven year period will be \$46,348,224.

The grand total of all direct Municipal Assistance for the coming year will amount to \$64,474,150 and represents 48.9% of our total expenditures on income account.

An amount of \$7,304,300 is provided next year by way of Indirect Assistance for Medical and Hospital care for provincial pensioners, maternity cases, poliomyelitis sufferers and cancer patients.

The total cost of providing direct and indirect assistance for the seven years, now amounts to \$311,710,812. This substantial sum of money gives ample proof that this Government is not indifferent to the welfare of our municipalities.

In addition to the direct and indirect assistance, a further sum of \$25,000,000 is being provided under the Municipal Capital Expenditure Loans Act for the coming year, and \$12,000,000 under the School Buildings Assistance Act for the purchase of School debentures required for construction purposes.

Total loans which have been approved since 1951 now amount to \$188,712,852.

I have also prepared a statement showing the assistance to the cities of Edmonton and Calgary during the period from 1952-53 to March 31, 1957:

PROVINCIAL MUNICIPAL ASSISTANCE

For the Seven Fiscal Years Ending March 31, 1951 to March 31, 1957

Total for Four Years						
Mar. 31, 1951						
to Mar. 31, 1954						
		Actual	1954 - 55 Actual	1955 - 56 Estimated	1956 - 57 Estimated	Total Seven Years
Direct Financial Assistance:						
1. Education:						
Operational Grants to Schools		\$ 38,153,156	\$ 14,238,634	\$ 24,860,000	\$ 27,340,000	\$104,641,790
Construction Grants to Schools		7,374,992	4,996,937	4,500,000	6,000,000	22,871,929
Grants to Teachers' Retirement Fund		2,587,676	846,063	900,000	—	4,333,739
2. Public Health:						
Hospitalizations Grants		9,587,817	4,173,794	6,942,400	7,416,000	28,120,011
Hospital Construction Grants		2,292,759	245,538	500,000	900,000	3,938,347
Health Service Grants		150,341	63,947	60,000	65,000	339,288
3. Highways:						
Grants for Roads, Bridges and other structures		21,339,802	11,437,163	10,475,000	10,570,000	53,821,965
4. Treasury:						
Grants in lieu of Taxes		374,224	124,834	136,500	121,500	757,058
Municipal Assistance Grants		18,041,288	8,534,673	9,015,205	10,000,000	45,591,166
5. Attorney General's Department:						
Remission of Fines collected under The Alberta Liquor Act		416,030	119,004	130,000	120,000	785,034
6. Public Welfare:						
Indigent Relief		3,604,104	1,086,067	1,050,450	1,441,650	7,182,271
7. Lands and Forests:						
Refunds of Cultivation and Grazing Leases		1,483,440	475,957	500,000	500,000	2,959,397
TOTAL: Direct Financial Assistance		\$105,405,629	\$ 46,392,661	\$ 59,069,555	\$ 64,474,150	\$275,341,995
Indirect Financial Assistance:						
1. Medical and Hospital Care for Pensioners		\$ 6,735,833	\$ 2,817,190	\$ 2,810,000	\$ 3,150,000	\$ 15,513,023
2. Other Public Health and Welfare Services, such as Maternity, Polio, Cancer, etc.		7,886,796	3,738,298	5,076,400	4,154,300	20,855,794
TOTAL: Indirect Financial Assistance		\$ 14,622,629	\$ 6,555,488	\$ 7,886,400	\$ 7,304,300	\$ 36,368,817
TOTAL: Direct and Indirect Financial Assistance		\$120,028,253	\$ 52,948,149	\$ 66,955,955	\$ 71,778,450	\$311,710,812
Assistance by Low Interest Rate Loans:						
1. Self Liquidating Projects Act	2%	\$ 21,994,279	—	—	—	\$ 21,994,279
2. Municipal Capital Expenditure Loans Act	2½% - 3½%	25,000,000	35,000,000	30,000,000	25,000,000	115,000,000
3. Other Municipal Loans	3½%	12,200,000	—	—	—	12,200,000
4. School Construction Loans	3½%	11,238,973	7,279,600	9,000,000	12,000,000	39,518,573
TOTAL: Assistance by Loans		\$ 70,433,252	\$ 42,279,600	\$ 39,000,000	\$ 37,000,000	\$188,712,852

For the Five Fiscal Years Ending March 31/53 to march 31/57

	Actual				Estimated		Estimated		Total for Five Years	
	Total for Three Years				Apr. 1/52 to Mar. 31/55		1955 - 56		1956 - 57	
	Edmonton	Calgary	Edmonton	Calgary	Edmonton	Calgary	Edmonton	Calgary	Edmonton	Calgary
Direct Financial Assistance:										
1. Education:										
Operational Grants to Schools.....	\$ 2,518,806	\$ 2,035,602	\$ 2,903,334	\$ 2,437,448	\$ 3,200,000	\$ 2,600,000	\$ 8,622,140	\$ 7,073,050		
Construction Grants to Schools.....	1,863,189	948,611	1,300,000	1,000,000	1,300,000	1,000,000	4,463,189	2,948,611		
Grants for Teachers' Retirement Fund.....	347,580	265,493	150,000	125,000			497,580	390,493		
2. Public Health:										
Hospitalization Grants	2,589,862	1,591,485	1,653,866	931,691	1,852,112	1,037,198	6,095,840	3,560,374		
Hospital Construction Grants.....	995,840	330,545	148,235	213,500	235,125	662,000	1,379,200	1,206,045		
Health Service Grants.....	97,260	80,842	36,000	29,000	36,000	29,000	169,260	138,842		
3. Highways:										
Grants for Roads, Bridges and other structures	772,033	1,130,030	250,000				1,022,033	1,180,030		
4. Treasury:										
Grants in lieu of taxes.....	145,014	112,277	51,000	40,000	50,000	40,000	246,014	192,277		
Municipal Assistance Grants.....	3,899,652	2,932,829	1,570,000	1,268,000	1,750,000	1,400,000	7,219,652	5,600,829		
5. Attorney General's Department:										
Remission of Fines collected under The Alberta Liquor Act.....	128,645	64,567	40,000	25,000	40,000	25,000	208,645	114,567		
6. Public Welfare:										
Indigent Relief	595,791	315,431	213,000	112,000	275,000	160,000	1,083,791	587,431		
TOTAL: Direct Financial Assistance.....	\$13,953,672	\$ 9,807,712	\$ 8,315,435	\$ 6,181,639	\$ 8,738,237	\$ 7,003,198	\$31,007,344	\$22,992,549		
Indirect Financial Assistance:										
1. Medical and Hospital Care for Pensioners \$	1,835,376	\$ 701,350	\$ 787,771	\$ 320,049	\$ 911,146	\$ 370,353	\$ 3,534,293	\$ 1,391,752		
2. Other Public Health and Welfare Services such as Maternity, Polio, Cancer etc.....	3,316,377	1,840,259	1,468,603	708,582	1,615,924	747,875	6,400,904	3,296,716		
TOTAL: Indirect Financial Assistance.....	\$ 5,151,753	\$ 2,541,609	\$ 2,256,374	\$ 1,028,631	\$ 2,527,070	\$ 1,118,228	\$ 9,935,197	\$ 4,688,468		
TOTAL: Direct and Indirect Financial Assistance	\$19,105,425	\$12,349,321	\$10,571,809	\$ 7,210,270	\$11,265,307	\$ 8,121,426	\$40,942,541	\$27,681,017		
Assistance by Low Interest Rate Loans:										
1. Self Liquidating Projects Act	\$ 1,000,000	\$ 1,000,000					\$ 1,000,000	\$ 1,000,000		
2. Municipal Capital Expenditure Loans Act	20,500,000	23,500,000	13,000,000	12,000,000	8,000,000	\$ 8,000,000	\$41,500,000	\$43,500,000		
3. Other Municipal Loans	5,500,000	4,300,000					5,500,000	4,300,000		
4. School Construction Loans	4,192,900	2,216,680	2,100,000	2,275,000	3,000,000	2,500,000	9,292,900	6,991,680		
TOTAL: Assistance by Loans.....	\$31,192,900	\$31,016,680	\$15,100,000	\$14,275,000	\$11,000,000	\$10,500,000	\$57,292,900	\$55,791,680		

CONCLUSION

To conclude, Mr. Speaker, I would call the attention of the Honourable Members of this House to the fact that the Government sees no reason for other than an optimistic outlook for 1956. This optimism is apparent in the anticipated increases in revenue particularly from our natural resources and in the resolve of the Government to eliminate taxes whenever possible as evidenced by the proposed repeal of the Unearned Increment Tax and the reduction in farm license fees.

There is, however, no indication of a lessening demand for new services at all levels of government, and certainly we have had to consider in the preparation of this budget, the ever increasing costs of providing services.

Increased expenditures for education, health and welfare will assure Alberta's continued position of leadership in these fields.

As in the past, this budget has made provision for capital expenditures from current revenue, and has, at the same time, provided for some increase in our reserves. It will be clear to all Honourable Members that the Government still believes it is responsible to see that the financial position of the Province shall improve steadily during these years of very great expansion and prosperity.

That this policy is impossible for the municipalities is recognized in the provision in this budget for continued loans at low interest rates, and in the provision made for an Alberta Municipal Financing Corporation which you will be asked to approve during this session.

You are aware of the undertaking of the Government to sponsor a co-operative study of the whole problem of Provincial-Municipal relations. It may be hoped that this will be the last budget which must be tied to the traditional but unacceptable division of responsibility and revenue sources.

It is obviously impossible that the Fathers of Confederation could have had any concept of the developments which would place on the shoulders of local governments the burdens which are theirs today. Purposely the revenue sources left to Provincial and Municipal governments were limited to that class defined as direct taxation. At least one statesman of the time believed that to saddle the people with a form of local government which could become unduly costly would be a grave mistake.

At the time some 16% of Canada's people lived in chartered cities and towns. Public school education and the maintenance of streets and roads passable for horse traffic, constituted the most important duties of local authorities. Hundreds of people were born, lived out their span of life, and died, without the services of a doctor. I have not come upon a single reference in the reports of that time, to the question of general public welfare at public expense. There were a few poor houses and an occasional pauper's funeral.

In the last quarter of a century, advances in every field have brought about a way of life in which the ordinary individual cannot

provide for himself the amenities which are available to all in association, and paid for by all through the compulsory contributions which have become our taxes.

The foresight, the demand, the implementation of various services have had their origin at the local level. The cities and towns and school divisions have, in majority, kept ahead of the levels of services which Provincial and Federal Governments have been willing to undertake for all Canadians.

The result has been that one after another of our municipalities has been carried along by a multitude of pressures to the point where the property taxes and licenses which have been its chief revenue sources have become totally inadequate. In desperation, these local bodies have turned to Provincial Governments and these in turn to the Federal Government. The latter bodies, grudgingly recognizing at least the partial validity of the claims of local authorities, have instituted grant systems and participating schemes to the extent that Municipal Government have almost come to be mere spending agencies bound to operate by the regulations under which their funds have been provided, whether or not these regulations have met with their approval, or have fitted fairly the circumstances which have obtained.

Under the fettering financial system which operates today, the best that can be hoped for is a redistribution of responsibilities and of the tax sources so that those obliged to provide a service will have access to a means of financing that service.

It is the conviction of this Government that a great many services can best be administered at the municipal level; that an acceptable proportion of all sources of public revenue ought to be attached to these services; that decisions as to new services and the standards to be accepted in already established services ought to be in the hands of the citizens; that the citizens of a municipality will then have to accept the responsibility of assessing themselves when they occasion by their demands, costs in excess of their fair share of our total revenue. It is our conviction that this system will bring about a return to the basic democracy from which Canada has been straying.

It is the conviction of this Government that what seems necessary in a redistribution of responsibility and revenue, as between Province and municipality, is equally desirable between the provinces and the the Federal Government.

It is this conviction that has prompted the Government of Alberta to urge upon the Federal Government a revision of the Tax Rental Agreement which will recognize realistically the tax potential which is being rented. This Government has urged, too, that while fiscal need must be recognized in fiscal relations between the Federal Government and the provinces, fiscal need is not properly a factor which should enter into a rental agreement covering our taxation rights. It has further urged that surrender to the provinces of a higher portion of the tax revenue is preferable to conditional grants for hospitalization or any other purpose, since such conditional grants offer most help to those provinces which can already provide most for the purposes in question.

It is the conviction of this government that the Federal administration of Canada has had within its power since 1867, the means to provide funds for the desirable capital expenditures of the municipalities as interest free loans. Canada's senior Government has always had authority to provide as direct grants, funds for municipal capital expenditures whenever the economic conditions may have justified it, and there has never been any necessity to recover such grants by taxation, except as a means of controlling our rare periods of inflation.

No one, I believe, has ever argued that we should not pay, through taxation, for every form of public service so long as each of us can have within our means the funds to pay the taxes. Certainly the proponents of democracy must agree that the best way to alleviate the pain of our tax burden is to maintain the basic incomes of our citizens. The means of so doing are within the authority of our Federal Government and have often been elaborated on the floor of this House.

The redistribution mentioned already is within the scope of the Government of this Province and you have been made aware of the Government's intention in this matter.

I sincerely hope that future budgets presented in this Legislature will reflect progressive reform in the relations between our various governments and that thereby a more abundant life will be the true heritage of every citizen of this great Province.

Mr. Speaker, I beg to move that you do now leave the Chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to Her Majesty.

PROVINCE OF ALBERTA — STATISTICS

NATURAL RESOURCES

	1954		1955 (preliminary)	
	Production	Value	Production	Value
Crude Oil	87,713,855 bbl.	\$227,877,548	113,035,046 bbl.	\$274,245,952
Natural Gas Production (net)	107,173,777 M cu. ft.	8,191,575	133,049,782 M cu. ft.	9,506,250
Coal	4,859,136 tons	26,349,275	4,456,578 tons	23,486,399
Salt	31,568 tons	740,997	41,957 tons	957,370
Cement	3,052,805 bbl.	7,761,082	2,920,962 bbl.	7,302,405
Lime	32,599 tons	493,303	36,226 tons	547,320
Sand and Gravel	7,313,380 tons	4,867,410	8,761,486 tons	6,448,712
Stone	27,017 tons	135,315	44,200 tons	260,000
Clay Products	2,316,982	2,617,203
Gold and Silver	6,659	6,715
Lumber-Sawmill Production (Crown Lands)	365,908,000 ft. b.m.	14,636,000	430,000,000 ft b.m.	17,200,000
Commercial Fishing	8,820,210 lb.	1,149,503	8,731,464 lbs.	1,143,499
Fur (Wild Life)	1,270,049 pelts	1,190,886	1,766,876 pelts	2,136,851

OTHER STATISTICS

	1954	1955 (preliminary)
Retail Trade	\$932,475,000	1,019,132,000
Wholesale Trade	\$601,972,413	656,990,832
Manufacturing Industries—Value of Production	\$570,470,000	629,000,000
Electric Power—Consumption	K.W. Hrs.: 1,500,875,000	1,629,206,000
School Rooms in Operation (June 30)	No.: 6,946	7,368
Motor Vehicles Licensed	No.: 338,541	354,000
Gravelled or Surfaced Roads and Highways	Miles: 29,861	32,059
Bank Clearings	\$4,584,252,000	5,466,450,000
Bank Debits	\$9,082,402,000	9,969,111,000
Construction Contracts Awarded	\$219,205,000	230,310,000
Railways	Miles: 5,726	5,734
Population (June 1)	No.: 1,039,000	1,066,000

